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Table of Contents

ABBREVIATIONS	iii
EXECUTIVE SUMMARY	iv
1. INTRODUCTION	1
PSSP Purpose, Goals and Objectives	1
Expected Results as reflected in the Performance Management Plan.....	2
Organization of this Report.....	3
Table 1 – PSSP Activity Summary – Quarter 3, FY 2013.....	5
Table 1 – PSSP Activity Summary - Quarter 3, FY 2013 – continued	5
2. ACTIVITIES AND ACCOMPLISHMENTS.....	7
IR 1: Increased and Improved Agricultural and Economic Policy Research.....	7
PSSP Staff and Collaborative Research	7
IR 1.1: Increased Capacity Building Opportunities for Researchers and Analysts	13
Competitive Grants Program Research	13
Commissioned Research.....	14
IR 2: Improved Access to and Demand for, High Quality Research on the Part of the Policy Makers, Academics, and other Researchers.....	15
IR 2.1: Networks of Agricultural and Economic Research Organizations and Universities Established and Operating.....	15
Research Networks	15
IR 2.2 Increased Provision of Timely, Demand Driven Policy Analysis and Advice to Policymakers and Other Key Stakeholders	15
Seminars.....	15
Conferences	15
Meetings	16
Policy Notes.....	16
Datasets	17
IR 3: Policy-Making Benefits to a Greater Degree from Informed Input by Private Sector and Civil Society Organizations.....	17
IR 3.1 Increased Informed Input and Feedback Provided to Policymakers by Private Sector and Civil Society Stakeholders	17
Meetings	17
Research Disseminated.....	17
Media Coverage	18
Cross-cutting Activities.....	21
Trainings.....	21

Program Administration.....	21
3. ACTIVITIES THAT WERE RESCHEDULED.....	23
IR 1: Increased and Improved Agricultural and Economic Policy Research.....	23
IR 2.1 Network(s) of Agricultural and Economic Research Organizations and Universities Established and Operating.....	23
Cross-cutting Activities.....	23
Program Administration.....	23

ABBREVIATIONS

AERC	Applied Economic Research Centre
AIP	Agricultural Innovation Project
ASTI	Agricultural Science and Technology Indicators
BNU	Beaconhouse National University
BPRSSP	Bangladesh Policy Research and Strategy Support Program
CAPI	Computer Assisted Personal Interviewing
CERA	Center for Environmental Risk Assessment
CGE	Computable General Equilibrium
CGP	Competitive Grants Program
CSIRO	Commonwealth Scientific and Industrial Research Organisation
FEG	Framework for Economic Growth
FY	Fiscal Year
FUU	Federal Urdu University
GOP	Government of Pakistan
GTAP	Global Trade Analysis Project
HEC	Higher Education Commission
IDS	Innovative Development Strategies
IFPRI	International Food Policy Research Institute
IMT	Irrigation Management Transfer
Indic.	Indicator
IR	Intermediate Result
IMT	Irrigation Management Transfer
LUMS	Lahore University of Management Sciences
MAP	Medicinal and Aromatic Plant
MOU	Memorandum of Understanding
NAC	National Advisory Committee
NARC	National Agricultural Research Center
PARB	Punjab Agricultural Research Board
PARC	Pakistan Agricultural Resource Council
PC	Planning Commission
PCA	Principal Component Analysis
PERI	Pakistan Economic Research Institute
PIDA	Punjab Irrigation Development Authority
PIDE	Pakistan Institute of Development Economics
PPAF	Pakistan Poverty Alleviation Fund
PSSP	Pakistan Strategy Support Program
R&D	Research and Development
RAC	Research Advisory Committee
ReSAKSS	Regional Strategic Analysis and Knowledge Support Systems
RHPS	Rural Household Panel Survey
SDPI	Sustainable Development Policy Institute
SIDA	Sindh Irrigation Development Authority
SO	Strategic Objective
UAF	University of Agriculture - Faisalabad
USAID	United States Agency for International Development
USG	United States Government

EXECUTIVE SUMMARY

Responding to a request from the Government of Pakistan, the Pakistan Strategy Support Program (PSSP) was launched in July 2011. This program is a flexible country-led and country-wide policy analysis and capacity strengthening program, which provides analytical support on a range of economic policies affecting agricultural growth and food security in the country. The core purpose of the program is to contribute to pro-poor economic growth and enhanced food security through strengthened national capacity for designing and implementing evidence-based policy reforms. This requires improving research-based policy analysis; building capacity, leadership and networks among researchers and policy analysts within and outside the government; and disseminating research results among diverse stakeholders.

Until very recently, PSSP's objectives were highly consistent with those of the *Framework for Economic Growth* (FEG) promulgated by the Planning Commission under the previous Government of Pakistan (GOP). Since the national elections in May, a new GOP has taken office, but the Planning Commission remains the key counterpart for PSSP. We anticipate that a new economic growth strategy will soon emerge, and PSSP will realign its activities during its final two years so that they support the new GOP's strategic priorities.

PSSP's four primary research priorities are as follows:

1. Agricultural production and productivity
2. Water management and irrigation
3. Macroeconomics, markets and trade
4. Poverty reduction (Income dynamics) and job creation (social safety nets)

In addition to generating policy-relevant research, PSSP aims to improve policy analysis and advocacy, and build the capacity of researchers in selected Government of Pakistan and non-government institutions through PSSP's capacity strengthening, feedback and outreach, and policy advisory programs. Having increased the capacity to conduct research, analyze information and formulate evidence-based policy recommendations, PSSP is linking these Pakistani researchers and institutions through targeted efforts to develop knowledge-sharing networks. Work is currently progressing in regard to training activities with PARC, the Planning Commission and civil society organizations. (See the Outcome 3 (IR 3) discussion in the Introduction under subsection "Expected Results as reflected in the Performance Management Plan").

The highlights of PSSP activities during third quarter FY 2013 (April – June 2013) are summarized below. The activities are presented in a manner that highlights their contribution to the Development Objective and the three Intermediate Results (IRs) found in PSSP's Performance Management Plan. More detail on these categories is given in the section entitled "Expected Results as reflected in the Performance Management Plan" in the Introduction to Part 2 below.

INCREASED AND IMPROVED AGRICULTURAL AND ECONOMIC POLICY RESEARCH

The following research activities support IR 1: Increased and improved agricultural and economic policy research

AGRICULTURAL PRODUCTION AND PRODUCTIVITY

The Agricultural Innovation Project (AIP) inception workshop was organized by the Pakistan Agricultural Resource Council (PARC) this quarter. The Bt Cotton household survey was completed in April and data was edited, entered and cleaned. Preparation for Phase 2 of the

survey, which includes the collection and testing of cotton leaf and boll samples, is underway.

The Center for Environmental Risk Assessment (CERA) continued to monitor the work of the recipients of the competitive biosafety research grants program. A second call for proposals on biotechnology regulation also went out, with a closing date of July 1.

WATER MANAGEMENT AND IRRIGATION

PSSP continued work on several water management and irrigation studies. These studies include “Satpara Development Project Household Survey Baseline Report, Water Governance and Adaptation to Climate Change in the Indus River Basin,” and “Modeling the Water-Energy-Food Nexus in the Indus Basin in Pakistan,” among others. A Special Issue of Water International is forthcoming, where many of these papers will be published.

PSSP also finalized the report “The Policy Landscape of Agricultural Water Management in Pakistan” in April, which has been published as an IFPRI discussion paper.

MACROECONOMICS, MARKETS AND TRADE

PSSP researchers continued to hold regular video workshops to finalize their Computable General Equilibrium (CGE) model-based studies.

POVERTY REDUCTION AND SOCIAL SAFETY NETS

During this quarter PSSP researchers continued to work on analytical studies based on the Rural Household Panel Survey (RHPS) Round 1. PSSP also completed the RHPS Round 2 survey fieldwork, along with data entry. (To minimize coding errors, we entered the data twice and looked for discrepancies.) A tracking survey based on information gathered in March 2012 is being planned to begin in September.

IMPROVED ACCESS TO AND DEMAND FOR HIGH QUALITY RESEARCH BY POLICY MAKERS, ACADEMICS AND CIVIL SOCIETY ORGANIZATIONS

The following activities support IR 2 and 3: Improved access to, and demand for, high quality research on the part of policy-makers, academics, and other researchers; and Policy-making benefits to a greater degree from informed input by private sector and civil society organizations.

CAPACITY STRENGTHENING OF RESEARCHERS

Trainings and Workshops: PSSP continued the CGE training with seven members of a CGE Working Group on Micro-simulations, Poverty and Income Inequality Dynamics. The members come from selected institutions in Islamabad, including PIDE, PARC, SDPI and the Planning Commission. A Pakistani researcher attended a CsPro training in Washington, DC, in June.

Competitive Grants Program: PSSP held an award ceremony for the recipients of the second round of the Competitive Grants Program (CGP). Awardees of the first round continued work on their studies and those of the second round finalized their contracts to begin their studies.

Domestic Studies Program: PSSP initiated work on two domestic studies entitled, “The State of Agricultural Input and Output Markets in Pakistan,” and “Cluster-based Industrialization and its Effect on Productivity of Manufacturing Firms in Pakistan.”

FEEDBACK AND OUTREACH

Seminars and Conferences:

PSSP was involved in three seminars this quarter. The titles of the seminars are as follows:

- Protective Mothers: Maternal Education and Child Learning After the 2005 Pakistan Earthquake
- Technical Efficiency of Wheat Farmers in Punjab, Pakistan: Implications for Harvest Plus
- Capacity Development for National Agricultural Research Systems: Rethinking USAID’s Role

Two PSSP researchers attended a ReSAKSS-Asia workshop entitled, Initiative on The Role of Fertilizer and Seeds in Transforming Agriculture in Asia, in Cambodia on May 6 and 7. Three PSSP researchers held a joint conference with the Bangladesh Policy Research and Strategy Support Program (BPRSSP) in Bangladesh on June 24 and 25.

Outreach and Advocacy: PSSP is linking policymakers with researchers, civil society organizations and private sector stakeholders. PSSP continued to use social media sites like Facebook and Twitter to share information on Pakistan’s economic conditions. The program blog extends PSSP’s penetration into the researcher community and to the general public. PSSP regularly posts and updates information related to research activities on this blog.

PROGRAM ADMINISTRATION

The second National Advisory Committee (NAC) Meeting in FY 2013 was held in April 2013 to discuss the future work plan of PSSP. This meeting was a continuation of the first meeting held in February and the seven NAC members provided feedback on the suggested program for the future research agenda.

Shortlisting for additional PSSP research staff took place during this quarter. PSSP now has a research corner set up in the office with access to the IFPRI digital library database.

1. INTRODUCTION

Sustainable agricultural growth and economic development in Pakistan are severely constrained by a lack of policies that promote pro-poor agricultural growth, encourage private sector investment and enhance food security. Furthermore, government interference in agricultural markets raises transaction costs and discourages private investment. To promote economic growth at this critical juncture, after many public sector services have been “devolved” from federal to provincial institutions under the 18th Amendment to the Constitution in April 2010, it is imperative to redefine the ways that national and provincial government institutions operate.

Strengthening agriculturally-related government institutions, including at the provincial level, will increase the capacity of the GOP to provide sound leadership and decisions, enable improved dialogue with stakeholders, and provide direction during this important transition.

In order to determine those policies and investments best suited to achieving agricultural growth and poverty reduction, research and knowledge sharing are essential to close existing knowledge gaps. To institutionalize and sustain the process of policy analysis and implementation, the capacity of national researchers and research organizations must be strengthened.

PSSP Purpose, Goals and Objectives

The purpose of PSSP is to contribute to pro-poor economic growth and food security through strengthened national capacity to design and implement evidence-based policy reforms. The overall goal is to enhance agricultural growth and economic development through strengthened Pakistani capacity for analyzing, advocating for, and implementing evidence-based policy reforms. Improved policy decisions, based on better analysis and information, will create a more favorable and predictable investment climate for private enterprises, and will accelerate agricultural growth and economic development in Pakistan. PSSP objectives are to improve policy analysis and advocacy, build the capacity of selected GOP and non-government entities, institutions and individuals through knowledge sharing networks, and to increase their capacity for conducting research, analyzing information and developing sound policies.

IFPRI's PSSP is a four-year, country-led, countrywide program covering a range of economic policies affecting economic growth and food security. From its inception in July 2011 until the formation of a new GOP in June 2013, PSSP's objectives were consistent with the FEG, particularly in the areas of quality governance, vibrant markets, and enhancement of key sources of growth through governance and institutional innovations and reform.

PSSP is guided by a National Advisory Committee (NAC), chaired by the Planning Commission of Pakistan, with representation from USAID and regional and provincial stakeholders. PSSP reviews its policy advisory activities with the NAC to inform and assist in the implementation of the GOP's current strategic directions and related policy reforms.

Strategic Fit with Government of Pakistan Objectives

The GOP Poverty Reduction Strategy Paper adopted in 2003, and reaffirmed in 2008, prioritizes the development of the agricultural sector as a way to alleviate poverty, increase incomes and create a vibrant rural economy. It emphasizes agriculture as the key source of job creation in predominantly rural districts and recognizes its potential as a catalyst for growth in the economy as a whole.

Since the national elections in May, a new GOP has taken office, but the Planning Commission remains the key counterpart for PSSP. The Planning Commission has already returned to conventional five-year planning, explicitly renouncing the FEG. We anticipate that there will be a new growth strategy; PSSP will work to design its activities during the final two years of the project to support new dimensions in their approach. However, we expect that the Planning Commission will continue to support a growth strategy based on a broader strategy targeting, focused on the regulatory changes that are needed to encourage economic growth, rather than on specific development projects and special incentives provided to particular industries. This direction should be clearer by the end of the fourth quarter.

Strategic Fit with USAID Objectives

USAID's Economic Growth Strategy, which incorporates agriculture, was approved by the Pakistan Mission and by Washington in February 2011. PSSP is the first of two components of USAID's Pakistan Policy, Science and Innovation Program for Agriculture. The other component is Promoting Science and Innovation in Agriculture in Pakistan, which has evolved into AIP.

Expected Results as reflected in the Performance Management Plan

Effective policymaking requires timely, evidence-based analysis that is available to key government decision makers. To make the process of policy analysis, implementation and monitoring more effective and sustainable, PSSP is designed to enhance the capacity of analysts and researchers in government institutions, academia and the private sector and to increase stakeholder participation in policy development. Moreover, widespread stakeholder participation in policy debates favors policy reform and implementation, so PSSP is designed for information dissemination and outreach activities that identify the needs of target constituencies, address their priorities, provide evidence-based research results and promote public dialogue. This vision is summarized in the following Development Objective.

Development Objective: The overall objective of the PSSP is to inform agricultural and economic policy formulation through research, analysis, and public discussion. The main criterion for success under this objective is the extent of increased utilization of research, networks, and private sector and civil society participation in the policy process.

The Development Objective will be met by addressing three intermediate results, as described below.

Outcome 1 (IR 1): IFPRI will increase and improve research in PSSP's four areas of emphasis, with much of the research being collaborative with local institutions and academics. The relevant indicator for success is the number of papers completed and published by PSSP supported staff, academics and institutions, including PSSP and IFPRI discussion papers, book chapters and journal articles. Our efforts are designed to strengthen local capacity by creating opportunities for research through commissioned research projects and the Competitive Grants Program (CGP) (IR 1.1). The PSSP will measure success in the CGP and other collaborative research efforts by the number of grants contracted to individuals, and the number of results published from the research conducted.

Outcome 2 (IR 2): PSSP is improving access to, and creating demand for, high quality research on the part of policy-makers, academics, and other researchers by disseminating research results through written output as well as in public forums, both of which are designed to increase discussion on policy change geared toward pro-poor growth. Two sub

IRs (IRs 2.1 and 2.2) support this outcome. First, PSSP will create networks by signing Memoranda of Understanding (MOUs) with local organizations and by tracking the number of collaborative trainings; meetings and dissemination events hosted by or held on site by a local institution working with the project (IR 2.1). A second output or sub IR (IR 2.2) is “increased provision of timely, demand-driven policy analysis and advice to policy-makers and other key stakeholders.” This output will be evaluated by tracking Policy Notes developed on questions relating to the four main research areas of the project through explicit analyses of policies that have potential to be revised, and by making large-scale surveys available to local researchers.

Outcome 3 (IR 3): The third outcome of PSSP involves improving policy-making by providing informed input to private sector and civil society organizations. This goal is being accomplished through the development of a website and blog, in addition to disseminating results through journals and other media outlets. PSSP is tracking the number of “hits” on each media outlet as well as attendance at each conference or policy related workshop. PSSP is creating an agenda of policies that need discussion in regard to potential adjustment in either design, require passage or promulgation, or need better implementation. In one Sub IR (IR 3.1), PSSP is working toward disseminating research results to private sector and civil society organizations through public forums and meetings with key groups to increase discussion on policy change geared toward pro-poor growth.

Additionally, two **crosscutting training activities** are tracked. PSSP is currently setting up training projects that contribute to the achievement of all three IRs, which includes training academics, researchers and local government officials in various aspects of research. Success will be measured by the number of trainings given, along with the number of individuals trained.

A number of these training efforts and discussions are underway and are now building momentum in the fourth quarter of FY 2013. PSSP is supporting the development of a new civil society organization, the Pakistan Agricultural Council, which has support from and access to the highest levels of the GOP. A technical writing program, under joint development with PARC, will be adapted later to reach a larger audience through web-based approaches and using other trainers. When this program is completed, other topics that seem to be in demand by various stakeholders, including monitoring and evaluation techniques, economic modeling approaches, and perhaps econometrics, among others, will be developed in a similar fashion. Further, PSSP has been asked by Ashan Iqbal, Minister of Planning and Development, to work together to strengthen the analytical capacity of the Planning Commission. This will logically involve a systematic relationship with PIDE, which is associated with the Planning Commission. Finally, in the fourth quarter, we will develop indexes of outcomes for the PSSP Performance Monitoring Plan, which will provide a clear roadmap of efforts under Outcome 3 and the cross-cutting activities.

Organization of this Report

This report covers the period April 2013 – June 2013, which was the third quarter of the second year of PSSP implementation. The introductory section above describes PSSP’s goals and objectives, and their consistency with GOP and USG development strategies. Table 1 below lists the activities completed in Quarter 3 of FY 2013 that fall under IRs 1, 2, 3 and the crosscutting activities included in the current Results Framework. The activities that are in progress are shaded blue in the appropriate boxes. An “x” represents an accomplishment, such as a paper completed, presented, event held etc., which is explained in detail in Part 2. An extra column for activities that are continuing in Quarter 4 of FY 2013 is also added in

these tables. Part 2 summarizes the activities conducted during Quarter 3 FY 2013. Part 3 discusses the reasons why some activities originally scheduled for this reporting period were rescheduled to later quarters.

Note: The indicators that permit PSSP to determine the actual progress towards our outcomes are listed in the Gantt chart and the activities reported in parts 2 and 3 are organized by indicator.

Table 1 – PSSP Activity Summary – Quarter 3, FY 2013

RESULTS FRAMEWORK		FY 2013				
DO: Agricultural and Economic Policy Formulation Better Informed by Research Analysis and Public Discussion	Q2	Apr	May	Jun	Q4	
Indic 1. Number of policies, regulations and administrative procedures reviewed and advocated						
Indic 2. Aggregate index of production distribution, access to, and use of research produced as a result of USG assistance						
All activities below count towards achieving Indic. 1 & 2						
IR 1: Increased and Improved Agricultural and Economic Policy Research						
Indic 3. Index capturing production of published studies or conference presentations given as a result of USG assistance						
All activities under IR 1 count towards Indic. 3						
PSSP STAFF AND COLLABORATIVE RESEARCH						
Agricultural Production						
PARC Strategic Review (External Evaluation)						
Agricultural Innovations Project			X			
Economic Analysis of Biotechnology		X				
Biotechnology Regulation						
Water Management and Irrigation						
RHPS Round 1.5 (Data analysis)						
Water Efficiency Conditions						
Water Management						
Effects of Climate Change						
Macroeconomics, Markets and Trade						
CGE Studies (4)						
Poverty Dynamics and Social Safety Nets						
RHPS Round 1 (Analytical studies)						
RHPS Round 2 (Field)			X			
Tracking Survey						
IR 1.1 Increased Capacity Building Opportunities for Researchers and Analysts						
Indic 4. Number of new, USG-funded awards to institutions/individuals in support of research						
COMPETITIVE GRANTS PROGRAM RESEARCH						
CGP Round 1 (18)						
CGP Round 2 (Award Ceremony)		X				
COMMISSIONED RESEARCH						
Domestic Studies - 2 commissioned studies				X		
IR 2: Improved Access to and Demand for, High Quality Research on the Part of the Policy Makers, Academics, and other Researchers						
Indic 5. Index capturing access to and usage of applied economic research by policy makers and related stakeholders						
All activities under IR 2 count towards Indic. 5						
IR 2.1 Networks of Agricultural and Economic Research Organizations and Universities Established and Operating						
Indic 6. Number of MOUs signed with competitively selected economic research networks						
RESEARCH NETWORKS						
MOUs Update						

Table 1 – PSSP Activity Summary - Quarter 3, FY 2013 – continued

		Q2	Apr	May	Jun	Q4
IR 2.2	Increased Provision of Timely, Demand Driven Policy Analysis and Advice to Policymakers and Other Key Stakeholders					
<i>Indic 7.</i>	<i>Attendance of key stakeholders in PSSP meetings, conferences and trainings</i>					
SEMINARS						
	Tahir Andrabi Seminar		X			
	Hina Nazli/George Batteese Seminar			X		
	Jock Anderson Seminar				X	
CONFERENCES						
	ReSaKKs Conference in Cambodia		X			
	IFPRI Dhaka Conference			X		
MEETINGS						
	Policy Makers					
	Academics and Researchers					
<i>Indic 8.</i>	<i>Number of outreach publications and policy notes from PSSP-funded research</i>					
POLICY NOTES						
	Underway					
<i>Indic 9.</i>	<i>Number of datasets from PSSP funded research and other data compilations made available online</i>					
DATASETS						
	Aspirations Survey, RHPS Round 1, Round 1.5 AND Round 2, Bt Cotton - Underway					
IR 3:	Policy-Making Benefits to a Greater Degree from Informed Input by Private Sector and Civil Society Organizations					
<i>Indic 10.</i>	<i>Index capturing extent to which policies are influenced by feedback from private sector/civil society stakeholders</i>					
	All activities under IR 3 count towards Indic. 10					
IR 3.1	Increased Informed Input and Feedback Provided to Policymakers by Private Sector and Civil Society Stakeholders					
<i>Indic 11.</i>	<i>Number of meetings with private sector and civil society organizations</i>					
MEETINGS						
	Senior Management Meetings (DC and PK)					
<i>Indic 12.</i>	<i>Number of results reported, published, and presented for public knowledge from PSSP support and research to civil society partners</i>					
RESEARCH DISSEMINATED						
	PSSP Working Papers - underway					
	PSSP Presentations		X	X	X	
<i>Indic 13.</i>	<i>Number of media mentions of PSSP papers and results</i>					
MEDIA COVERAGE						
	Electronic Social Media					
	Media Activities					
Cross Cutting Activities :						
<i>Indic 14.</i>	<i>Number of persons receiving training on skill development</i>					
<i>Indic 15.</i>	<i>Number of persons receiving training on policy related topics</i>					
TRAININGS						
	CGE Video Training					
	CsPro Training					

2. ACTIVITIES AND ACCOMPLISHMENTS

IR 1: Increased and Improved Agricultural and Economic Policy Research

Indic. 3: Index capturing production of published studies or conference presentations given as a result of USG assistance

All research activities undertaken by PSSP, with USG assistance, which result in the production of a publication or conference presentation, fall under IR 1 and contribute to indicator 3. The main researchers are PSSP staff and collaborative teams, including the CGP and commissioned research.

PSSP Staff and Collaborative Research

Research activities undertaken by PSSP research fall mainly under PSSP's four main themes: a) Agricultural Production; b) Water Management and Irrigation; c) Macroeconomics, Markets and Trade; and d) Poverty Dynamics and Social Safety Nets.

a) Agricultural Production and Productivity

Agricultural Production:

PARC held an inception workshop for AIP in May. PSSP Program Leader, Steve Davies attended this workshop with an explicit intent to determine how PSSP might collaborate with AIP. There is relatively little economic analysis being anticipated in this latter project, so a selective relationship might be beneficial to both projects. Dr. Davies also met with Rick Ward and Jock Anderson, the Acting CoP and main economic consultant to AIP to discuss these possibilities. Researchers started work on an issues paper on seed systems, fertilizer markets and agricultural policy in Pakistan.

Data Collection for the Agricultural Science and Technology Indicators (ASTI) began this quarter. A new survey form was designed in the Agricultural Science and Technology Indicators (ASTI) Data Management Portal with PARC and new staff was hired at PARC to conduct data collection.

The ASTI program is the primary source of quantitative information fundamental to understanding the contribution of agricultural research and development (R&D) to agricultural growth for the national, regional, and global agricultural research communities. ASTI provides both information on data trends (i.e., the progress of human and financial capacity in agricultural research over time) and data comparisons (i.e., the performance of a country or a region relative to another).

This new activity is part of the process of transforming data collection initiatives focusing on one region at a time into a sustainable global system of data compilation and analysis at regular intervals. ASTI is planning a monitoring survey round during 2013 and will seek a close long-term institutional partnership with PARC to successfully accommodate the transformation described above. This work will be funded through a grant to ASTI from the Bill & Melinda Gates Foundation, in addition to the support from PSSP.

In general, the ASTI datasets suffer from a number of constraints, including weak or no coverage of the private sector, a one-sided focus on input indicators, and limited analysis of the issues underlying agricultural R&D and institutional developments. This activity, which

will include an expansion of ASTI's current dataset on Pakistan to include a number of output and performance indicators, will allow ASTI to address these issues in Pakistan.

Economic Analysis of Biotechnology: The fieldwork for the data collection of PSSP's Pakistan Cotton Survey was completed in May. All data has been received at the PSSP sub-awardee Innovative Development Strategies' (IDS) offices in Islamabad and currently is being entered and cleaned. The purpose of the survey is to investigate the effectiveness, productivity and prices of different cottonseed varieties used in Pakistan and to come up with a comparison against these parameters and suggest the most profitable varieties of cotton. As part of the cotton survey, 728 households were surveyed in 27 districts across Pakistan.

Preparations for the biophysical component (using seed, leaf and boll samples of cotton), in collaboration with UAF, the National Institute for Genomics and Advanced Biotechnology, and the National Agricultural Research Center (NARC) also began this quarter. Further progress on this survey will be reported in the next quarterly report.

Biotechnology Regulation: CERA continued to monitor the work of the competitive biosafety research grants program recipients in this quarter. Also, a second call for proposals on regulation research was initiated during this quarter.

b) Water Management and Irrigation

Several Water Management and Irrigation reports are in progress, and are presented in Table 1 below. Some of these reports have been submitted to journals (mentioned within the table).

Items 2, 4 and 10 in Table 1 have been accepted for a Special Issue in *Water International*, and we anticipate having a stakeholder workshop to present and discuss these results in late October or early November. The Special Issue will contain ten articles in total, with several being written exclusively by Pak authors. Summaries of the three IFPRI-related articles are provided below as well.

Box 1: Findings from "Droughts in Pakistan – A Spatiotemporal Variability Analysis using the Standardized Precipitation Index", Hua Xie, Claudia Ringler, Tingju Zhu and Ahmad Waqas (under review at *Water International*)

The spatiotemporal variability of drought incidence in Pakistan during 1960-2007 was investigated by calculating Standardized Precipitation Index fields for 3-, 6- and 12- month scales using gridded precipitation data. Principal Component Analysis revealed that droughts are widespread, and often occur simultaneously. Spectral analysis further identified a 16-year drought recurrence period. Three such drought-intensive periods were identified: the late 1960s to early 1970s, the middle 1980s and the late 1990s to early 2000s. Hence drought patterns need to be integrated into long-term water planning as well as emergency preparedness programs.

Table 1: Water Irrigation and Management Studies

#	Title of Study	Persons Responsible	Expected Completion Date
1	What role can information play in improved equity in Pakistan's irrigation system? Evidence from an experimental game in Punjab (journal submission to <i>Economic Inquiry</i>)	Andrew Bell	Submitted for review
2	Progress of Constitutional Change and Irrigation Management Transfer in Pakistan: Insights from a Net-Mapping Exercise (under review at <i>Water International</i>)	Andrew Bell, Noora-Lisa Aberman, Fatima Zaidi, and Benjamin Wielgosz	Submitted for review
3	The policy landscape of agricultural water management in Pakistan (IFPRI Discussion Paper No. 1265. Washington, D.C., IFPRI)	Aberman, N.-L., B. Wielgosz, F. Zaidi, C. Ringler, A.A. Akram, A. Bell and M. Issermann. 2013.	Published April 2013
4	Droughts in Pakistan– a Spatiotemporal Variability Analysis using the Standardized Precipitation Index (under review, <i>Water International</i>)	Hua Xie, Claudia Ringler, Tingju Zhu and Ahmad Waqas	Submitted for review
5	Satpara Development Project Household Survey baseline report	Elizabeth Bryan, Muhammad Ishfaq, Wajiha Saeed, and several staff, Aga Khan Foundation (AKF)	August 2013
6	Pakistan Rural Household Panel Survey Round 1.5 baseline report	Dawit Makonnen, Muhammad Ishfaq, Hira Channa, Wajiha Saeed and others	September 2013
7	Water Governance and adaptation to climate change in the Indus River Basin (submitted to <i>Journal of Hydrology</i> .)	Yi-Chen Ethan Yang, Ph.D.; Casey Brown; Winston Yu; James Wescott, Jr.; Claudia Ringler	Submitted for review
8	Sustainable Cross-Sectoral Water Allocation in the Indus Basin under different management policies	Yi-Chen E. Yang, Claudia Ringler, Casey Brown and Ghazi Alam	September 2013
9	Modeling the water-energy-food nexus in the Indus basin in Pakistan	Yi-Chen E. Yang, Claudia Ringler and Casey Brown	September 2013
10	Climate change impacts on water and food in Pakistan (submitted to <i>Water International</i>)	Tingju Zhu, Claudia Ringler, Mohsin Iqbal	Submitted for review
11	An Economic Evaluation of Diamer-Bhasha Dam: Assessing the Benefits of Diamer-Bhasha Dam on the Economy of Pakistan under Climate Change	Sherman Robinson, Arthur Gueneau	September 2013

Box 2: Highlights from “Progress of Constitutional Change and Irrigation Management Transfer in Pakistan: Insights from a Net-Mapping Exercise,” Andrew Bell, Noora-Lisa Aberman, Fatima Zaidi, and Benjamin Wielgosz (under review at *Water International*)

Two current processes of institutional reform – Irrigation Management Transfer (IMT) and the 18th Amendment to the Pakistan Constitution – are expected to significantly impact irrigated agriculture in Pakistan. Results from a Net-Map exercise conducted with water sector experts at federal and provincial (Punjab) scales were analyzed. Data suggest potential for successful shifts of decision-making under the 18th Amendment. However, less favorable perceptions of the IMT role in water governance is likely, given its long history and continuing evidence that something new is necessary to help shift towards a successful decentralized IMT model.

Box 3: Highlights from “Climate Change Impacts and Adaptation Options for Water and Food in Pakistan: Scenario Analysis using an Integrated Global Water and Food Projections Model,” Tingju Zhu, Claudia Ringler, M. Mohsin Iqbal, Timothy B. Sulser, M. Arif Goheer (forthcoming Sep/2013 *Water International*)

Water is the single most constraining factor in Pakistani agriculture and a change in irrigation water supply has strong food production implications in the country. To analyze the potential impacts of climate change on the water and food systems of Pakistan, the authors used IFPRI’s IMPACT model as an integrated assessment tool to simulate water and food systems’ responses to four climate scenarios in addition to a climate baseline that assumes no climate change.

The four climate scenarios are based on climate projections of two global climate models (CSIRO-Mk3.5 and MIROC3.2 (medium resolution), developed by the Australian CSIRO and the Center for Climate System Research, Japan, respectively), forced by the IPCC emission scenarios A1b and B1, respectively, with the greenhouse gas concentration level of A1b higher than B1.

The analysis found that, by 2050, while changes in water availability range from -12 to + 24%, depending on the scenario, crop yield and production impacts are negative across all scenarios and net food imports increase. We suggest a combination of programs to accelerate investment in agricultural research, and encourage increased water use efficiency in agriculture to reduce the adverse impacts of climate change on water and food.

Macroeconomics, Markets and Trade

CGE Studies: Researchers continued to work on finalizing their CGE studies, which include:

- “Computable General Equilibrium Analysis of Electricity Subsidies: The Perspective of Pakistan”
- “Exchange Rate Misalignment in Pakistan and its General Equilibrium Distributional Implications”
- “Economic Impact of Agriculture Income Tax on Pakistan”
- “Macro-economic Implications of Electricity Subsidies”

An example of the results from the exchange rate analysis is presented in Box 4. This will become a PSSP Working Paper in the fourth quarter.

Box 4: Findings from “Exchange Rate Misalignment in Pakistan and its General Equilibrium Distributional Implications, Dario Debowicz and Wajiha Saeed

Recent findings in the growth literature suggest that developing countries need to keep a devalued exchange rate to stimulate their economic expansion. Building on these findings, the authors econometrically evaluate the extent to which the real exchange rate of Pakistan has been aligned with its economic fundamentals, and find that the Pakistan rupee has been significantly and systematically overvalued since 2006. The overvaluation is found to be as high as 25 percent in recent years.

The authors then simulate the general equilibrium effects of an eventual re-alignment of the real exchange rate with economic fundamentals, and find that this leads to mobilization of production factors from non-tradable to tradable sectors, generating significant growth in sectors like cotton, cotton processing and textiles. It naturally leads to an increase in exports (and fall in imports) consistent with stated export-promotion goals of the government, without significant adverse distributional implications, reinforcing the argument in favor of a devaluation in Pakistan.

c) Poverty Dynamics and Social Safety Nets

Although poverty reduction has been slow in Pakistan, there is renewed interest in strengthening social safety nets, which play an important role in raising economic growth and reducing vulnerability. To better understand the complex relationships between economic growth and poverty reduction, PSSP started work on the second round of the RHPS, which will provide additional information to supplement the datasets.

RHPS Round 1

PSSP researchers continued to work with the Round 1 data to complete analytical studies which include the following: “Population Mobility and Monsoon Anomalies in Pakistan,” “Credit Markets in Rural Pakistan,” and “Rural Non-Farm Employment Opportunities in Pakistan,” among others.

One of the studies “Heat Stress but Not Flooding Increases Long-term Human Migration in Rural Pakistan,” by Valerie Mueller and Katrina Kosec is under review at the Science journal. The authors find that flooding, a climate shock associated with large relief efforts, has modest to insignificant impacts on migration. Heat stress, however—which has attracted relatively little research—consistently increases the long-term migration of men, driven by a negative effect on crop yields.

Further information on all these studies will be reported as they are finalized. Please look under IR 3.1, Indic. 12 below for more information regarding presentations made of studies using RHPS Round 1 data.

RHPS Round 2

PSSP started working on RHPS Round 2 in January 2013 as part of its ongoing efforts to keep its survey data sets up-to-date. The survey is a continuation of the RHPS surveys (Round 1 and 1.5) that were conducted in 2012. This survey was administered in 19 sampled districts across Pakistan. The households surveyed are the same as in Round 1. The survey investigates the rural household dynamics of the respondents including agricultural income, income consumption, access to credit, migration, social safety nets and aspirations.

After four months of work on the survey instrument, the survey entered the field in April 2013. Data collection was completed in late May 2013 and data entry was completed in early July 2013.

In addition to most of the modules present in Round 1, PSSP additionally collected data on two new topics: Political Participation and Governance and Women's Positions and Opinions. PSSP researchers, Nuzhat Ahmad, Kosec, and Hina Nazli led these modules, with the extensive help of a number of research assistants and analysts, and with consultation with various academic and policy experts.

This survey also involved extensive capacity building, as junior researchers were paired with senior researchers with expertise and extensive past experience on a given topic area, and both technical and substantive training was provided. PSSP also trained over 100 enumerators during this process.

Tracking Survey

PSSP researchers continued to plan a survey to track the original households of the *Pakistan Panel Survey, 1986-1991*. Preparation and planning meetings related to designing the survey instrument and the tracking strategy, which were initiated in December 2012, continued through the end of the quarter (June 2013). Further meetings will be held in Quarter 4, with the survey targeted to be initiated in September 2013, and data entry to begin in October or November 2013. A summary of the sample and topics covered in the earlier survey are provided in Box 5. PSSP researchers plan on tracing these households and analyzing the correlations of livelihood developments over the intervening 20 years, given their economic circumstances at that time.

Box 5: Details on the original IFPRI *Pakistan Panel Survey, 1986-1991*

The survey was conducted in 14 rounds over five years to approximately 800 rural households in Attock, Faisalabad, Dir, and Badin districts. Topics include household characteristics and composition; anthropometry, child health and nutrition; land ownership/tenure; agricultural production and disposition by season; household expenditures on labor, factors of production, food and other nonfood elements; male/female labor use; time allocation of household members, asset ownership; long/short term credits; livestock/poultry ownership/income; nonfarm activities/income; women's fertility history; pensions and other incomes. Community/village level information was collected on crop yields, prices, irrigation water rate, daily wage rate of on farm/nonfarm activities, price of essential food/nonfood items, the availability of public services in villages, education, migration and employment. Data were also collected on technology adoption and technical skills of wheat farmers, labor on different farm activities and returns to labor.

PSSP is additionally working on capacity building with IDS to do their first survey using Computer Assisted Personal Interviewing (CAPI) software for this survey.

IR 1.1: Increased Capacity Building Opportunities for Researchers and Analysts

Indic. 4: Number of new, USG-funded awards to institutions/ individuals in support of research

The two remaining methods of providing individuals and institutions with the capacity to undertake research on their own is done via the Competitive Grants Program (CGP) and through commissioned contracts. The number of research activities funded by these methods contributes to Indicator # 4.

Competitive Grants Program Research

PSSP launched the CGP in FY 2012 to provide researchers with the opportunity to conduct quality research under the guidance of professional and international expertise.

CGP Round 1: Following oral presentations of interim reports from the CGP Round 1 awards in February, written reports were submitted by 17 projects. Initial evaluations and written review comments were provided by David Orden. Subsequently, 15 Interim Reports were sent for external review. Fourteen external review evaluations have been received and sent to the authors to guide their continued research. One review is pending. Two draft Interim Reports have been returned to authors for further development, prior to being sent for external review, while one award project has been discontinued due to personal circumstances of the awardee.

Please see IR 3.1, Indic. 12, later in the report, for information regarding a CGP Round 1 awardee's presentation at a conference.

External reviewers of the Interim Reports, who will also review the Final Reports, include Roy Bahl, Georgia State University; Mary Barkworth, Utah State University; Andrew Bell, IFPRI; Andrew Comstock, IFPRI; Caesar Cororaton, Virginia Tech University; Adam Eckerd, Virginia Tech University; Zahoor ul Haque, Abdul Wali Khan University; Richard Howitt, University of California-Davis; John Mellor, Mellor Associates Inc.; Bradford Mills, Virginia Tech University; Muhammad Farooq Naseer, (Lahore University of Management Sciences; LUMS); Ranchand Oad, Colorado State University; Noa Roman-Muniz, Colorado State University; Devesh Roy, IFPRI; and Angelino Viceisza, Spelman College.

Highlights from four of the CGE Round 1 interim reports are found as examples below:

- For the "Preliminary Study of Public Sector Impact on Wheat Markets", Vaqar Ahmed of SDPI conducted focus group discussions on wheat markets and policy and he also did quantitative analysis of wheat in 5 districts. Results show that there was an increase in subsidy payments to the wheat sector of 22.5 percent annually from 2008 to 2012. Crop loans and remission grants were found to increase dramatically. Using a CGE model, the 22.5 percent increase in wheat sector subsidies raised wheat production but showed a 2.3 percent decrease in production by cotton and textile industries.
- While conducting "Survey on Informal Entrepreneurship," Muhammad Sheryar Shahid, University of Central Punjab, conducted a two-part survey consisting of a quantitative survey of 330 small entrepreneurs and a qualitative survey of 15 entrepreneurs from the same group. Results indicate that large amount of informality in Pakistan comes from social norms and that the main driving forces behind entrepreneurs operating informally are related to choice rather than poor economic conditions. The research finds that it is

more about “wanting to be my own boss” and “better profitability of self-employment” than taxes or other deterrents to formal enterprises.

- For his research “Use of Training Groups and Workshops to Improve Farm Incomes,” Hassan Sher, University of Swat, conducted three capacity building workshops aimed at improving agricultural and horticultural practices for medicinal and aromatic plant producers (MAPs) in Swat Valley. Two trips were coordinated with 40 individuals from Swat to pharmaceutical companies to learn about marketing channels. MOUs were signed with these companies and a MAP collection and buying center was established to facilitate market linkages and provide bulk capacity, packaging, and labeling services.
- Adeel Malik and Ali Mirza of Oxford University are working on a “Preliminary Study of Structural Constraints on Public Good Provision.” They have contributed to the literature on public good provision in Pakistan by creating a new Herfindahl-style index of Religious Diversity and by augmenting an existing index to better measure political concentration in Pakistan using a measure of “old family status.” By mapping historical data of tehsil boundaries on the current boundaries a new map has been created. These new analytical tools will aid in future investigations of public good provision and a variety of other policy issues by allowing use of consistent historical data for each tehsil.

CGP Round 2: PSSP awarded research grants totaling more than US\$ 410,000 to 19 Pakistani researchers in Islamabad at the Second Research Grants Award Ceremony, which took place on April 19 at the Serena Hotel in Islamabad. The USAID/Pakistan Mission Director, Jock Conly; Deputy Coordinator Economic and Development Assistance, US Embassy/Islamabad, Vinay Chawla; and former Deputy Chairman Planning Commission, Nadeem Ul Haque, presented the awards to the 19 recipients. The recipients signed contracts with IFPRI during this quarter. Contracting takes time because it requires completion of terms of reference by the awardees, clearance and processing of contracts by the IFPRI Finance Division, and submission of various other administrative forms. Summaries of these 19 projects are provided in an Appendix.

Commissioned Research

Domestic Studies: PSSP has initiated work on two domestic studies, which we have defined as research that involves and collaborates with Pakistani academics so that the research is conducted using expertise within the country but also includes the development of international partnerships. The first study is entitled, “The State of Agricultural Input and Output Markets in Pakistan,” and is headed by Mubarik Ali of The Punjab Agricultural Research Board (PARB), with assistant researchers from Pir Mehr Ali Shah—Arid Agriculture University, the Institute of Business Administration Sukkur, and the Agricultural University of Peshawar.

The second study is entitled, “Cluster-based Industrialization and its Effect on Productivity of Manufacturing Firms in Pakistan,” and is headed by Mushtaq Khan of LUMS, with assistant researchers from LUMS, Bahauddin Zakariya University and the University of Sargodha.

The contracts were signed in June. Khan and his lead researchers held a preliminary meeting on the initial work done on the “Clusters” study at the PSSP office in Islamabad on June 28.

IR 2: Improved Access to and Demand for, High Quality Research on the Part of the Policy Makers, Academics, and other Researchers

IR 2.1: Networks of Agricultural and Economic Research Organizations and Universities Established and Operating

Indic 6: Number of MOUs signed with competitively selected economic research networks

Research Networks

Please look under Part 3: Activities that were rescheduled below.

IR 2.2 Increased Provision of Timely, Demand Driven Policy Analysis and Advice to Policymakers and Other Key Stakeholders

Indic. 7: Attendance of key stakeholders in PSSP meetings and conferences

Seminars

PSSP researchers arranged for Tahir Andrabi, Professor of Economics, Pomona College, to visit IFPRI and present “Protective Mothers: Maternal Education and Child Learning After the 2005 Pakistan Earthquake” on April 19.

Nazli, along with researchers George Battese and Melinda Smale, presented a brown bag seminar at IFPRI on “Technical Efficiency of Wheat Farmers in Punjab, Pakistan: Implications for HarvestPlus” on May 8.

PSSP consultant, Jock Anderson, presented a seminar on “Capacity Development for National Agricultural Research Systems: Rethinking USAID's Role” at the Public Information Center in the Ronald Reagan Building in Washington, DC, on June 26. This event was organized by the USAID Bureau for Food Security. Anderson used information he gathered during the PSSP supported PARC strategic review as part of this seminar.

Conferences

PSSP Senior Policy Advisor Sohail Malik and consultant, Ahsan Rana, attended a Regional Strategic Analysis and Knowledge Support Systems in Asia (ReSAKSS-Asia) workshop on: Initiative on The Role of Fertilizer and Seeds in Transforming Agriculture in Asia in Phnom, Penh, Cambodia, May 6-7. The main objective of the conference was to establish a network of policy specialists and researchers to promote analytical and strategic capacity in Asia. Policy, seed and fertilizer experts from 12 Asian countries attended this conference. Researchers will use input from this workshop for papers to be presented at a conference in September.

Researchers from PSSP and BPRSSP held a workshop in Dhaka, Bangladesh, on June 24 and 25. The theme of the workshop was Tying Regional Strategy Support Programs Together for Enhanced Effectiveness in Policy Reform and Pro-poor Economic Growth. Participants from both programs presented their research results and then reviewed potential areas of collaboration with regional emphasis. A field trip to a BPRSSP site was also part of this workshop.

Meetings

Senior Policymakers: Davies and Sohail Malik held a series of meetings with provincial government counterparts in Lahore on April 24 - 25. They met with Shujat Ali, Secretary Industries, Commerce and Investment at Government of the Punjab and Tariq Bajwa, Secretary Finance, Government of Punjab, gave an overview of the PSSP activities related to policy research and also discussed the ongoing Pakistan Cotton Survey. (See appendix)

Paul Dorosh, Director Development Strategies and Governance, IFPRI, Washington, DC, along with Davies and Sohail Malik, visited Lahore on May 23 to meet with senior policy makers, academics, development practitioners, NGOs and business leaders to ascertain key priorities in areas, particularly areas that concerned pro-poor growth and rural development. During this visit, PARB hosted a brainstorming session to help prioritize key policy research needs and build the PSSP linkages in Punjab. This two-hour session was held at the PARB headquarters in Lahore on May 23. The PSSP team made short presentations on the following themes:

- Aims, Objectives and Structure of Pakistan Strategy Support Program
- The Energy Crisis in Pakistan - Implications from policy simulations based on the Computable General Equilibrium Analysis using the Updated Social Accounting Matrix of Pakistan
- The Importance of Effective Tracking of Consumer Prices - Correcting the Issues with the Consumer Price Index of Pakistan

Dorosh, Davies and Sohail Malik held also several meetings with government counterparts and other stakeholders. Below is a list of the meetings:

- 1) Discussion on prioritizing key research areas with Mr. Sartaj Aziz, Vice-Chancellor, Beaconhouse National University (BNU) on May 23 in Lahore.
- 2) Discussion on proposed PSSP agricultural research activities with Mr. Tariq Bajwa, Secretary Finance, Government of Punjab, Mr. Faisal Rasheed, Deputy Secretary Finance, Government of Punjab, Dr. Shujat Ali, Secretary Industries, Commerce and Investment Department, Government of Punjab on May 24 in Lahore.
- 3) Discussion on proposed PSSP agricultural research activities with Dr. Kausar Abdulla Malik of Forman Christian College on May 24 in Lahore.

Researchers and Academics: PSSP researchers held several meetings with the Chairman and the Members of PARC, the Chairman of PARB, government officials and academics from Universities such as, Pakistan Institute of Development Economics (PIDE) and Federal Urdu University (FUU) to further the mission of identifying and conducting quality research. (See Appendix 2.)

Indic. 8: Number of outreach publications and policy notes from PSSP-funded research

Policy Notes

PSSP researchers are working towards creating policy briefs based on the research studies. The goal is to disseminate from three to five policy briefs per quarter starting in Quarter 4 of FY 2013. We expect to circulate briefs on wheat procurement issues, financing energy, poverty alleviation and the impacts of agricultural productivity on overall economic growth.

Indic 9: Number of datasets from PSSP funded research and other data compilations made available online

Datasets

In addition to the data collected in FY 2012, PSSP is working towards the completion of two more surveys (RHPS Round 2 and Bt Cotton Survey), which will result in additional high quality datasets. These will be made available to the public when they pass all quality checks and verifications. For the first year, IFPRI policy requires that a co-author from IFPRI be included, but after that, datasets will generally be available to researchers for individual use.

IR 3: Policy-Making Benefits to a Greater Degree from Informed Input by Private Sector and Civil Society Organizations

PSSP strives to create a cooperative community of policymakers, researchers, civil society organizations and private sector stakeholders. This is achieved by incorporating stakeholders into the process of defining policy research agendas, encouraging communication across ministries, agencies and line departments, bridging the gaps between central and provincial governments, and working with civil society organizations and the private sector to encourage participation in policy formulation.

Indic. 10: Index capturing extent to which policies are influenced by feedback from private sector / civil society stakeholders

This index will be formed using activities below.

IR 3.1 Increased Informed Input and Feedback Provided to Policymakers by Private Sector and Civil Society Stakeholders

Indic. 11: Number of meetings with private sector and civil society organizations

Meetings

The U.S. Institute of Peace Pakistan organized a roundtable discussion on Water Scarcity in Pakistan: Is it Real, or just a Political and Social Construction? on June 13 in Islamabad. Davies attended the roundtable as one of the panelists. The roundtable was arranged to discuss a recent book entitled, *Water Resources Management in a Vulnerable World: Hydro-hazardscapes of Climate Change*, by Daanish Mustafa.

The Second Donor Water Conference was held at the World Bank office, Islamabad on June 19 to discuss issues related to water management in Pakistan. Representatives of all the major donors working on water attended the meeting. Davies represented PSSP at the meeting.

Indic. 12: Number of results reported, published, and presented for public knowledge from PSSP support and research to civil society partners

Research Disseminated

PSSP Working Papers: PSSP researchers are working towards finalizing a number of studies that will become working papers, in addition to the 10 already completed in the first year, in the forthcoming quarters. Titles of some of these studies have been mentioned in IR 1, Indic. 3 above.

PSSP Presentations: PSSP researchers made the following presentations during this quarter:

- 1) Kosec and Mueller presented “Heat Stress but Not Flooding Increases Long-term Human Migration in Rural Pakistan” at the Population Association of America 2013 Annual Conference, in a session titled Demographic Dimensions of Climate Change in New Orleans, April 11-13.
- 2) Kosec presented “Productivity Shocks and Aspirations: Evidence from Rural Pakistan” at the Western Political Science Association 2013 Annual Conference in April.
- 3) Claudia Ringler, Ethan Yang and Ghazi Alam presented “Modeling the Water-Energy-Food Nexus in the Indus Basin in Pakistan,” during a special session on the water-energy-food nexus--Presentation on the Indus Basin Model Revised at a Global Water Systems Project conference entitled, Water in the Anthropocene in Bonn, Germany, May 21-24.
- 4) Sherman Robinson and Arthur Gueneau presented “Modeling Economy-Wide Impacts of Water Policy in Pakistan” during a special session on the water-energy-food nexus--Presentation on CGE-Water Indus basin at a Global Water Systems Project conference titled Water in the Antrhopocene in Bonn, May 21 -24.
- 5) Gueneau presented “Impacts World 2013” an at International Conference on Climate Change Effects in Potsdam, May 27-30.
- 6) Gueneau presented “Measuring Economic Impacts of Changes in the Water System” at the MIT Global Change Forum in Cambridge, MA, June 5.
- 7) Robinson and Gueneau presented “Measuring Economic Impacts of Changes in the Water System” at the 16th Annual Conference on Global Economic Analysis titled New Challenges for Global Trade in a Rapidly Changing World, a Global Trade Analysis Project conference in Shanghai on June 13.
- 8) One of the CGP Round 1 awardees, Ammar Anees Malik, a PhD student at George Mason University, presented his CGP Interim Report paper, “Agent-Based Modeling Simulations for Solving Pakistan’s Urban Challenges,” at the 6th Annual Experience the Creative Economy Conference, sponsored by the Martin Prosperity Institute, University of Toronto, on June 18.

Indic. 13: Number of media mentions of PSSP papers and results

Media Coverage

Electronic Social Media: PSSP continued to use Facebook and Twitter to share information on Pakistan’s economic conditions, with a particular focus on its four primary research priorities (agricultural production, water management, macroeconomics, and poverty).

Figure 1: Visits to PSSP Page on Facebook

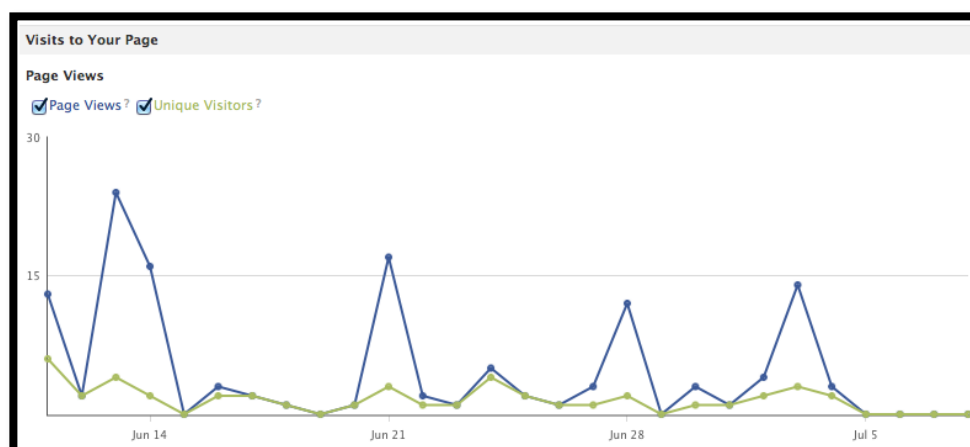


Figure 2: Demographics of People who Like the PSSP Facebook Page

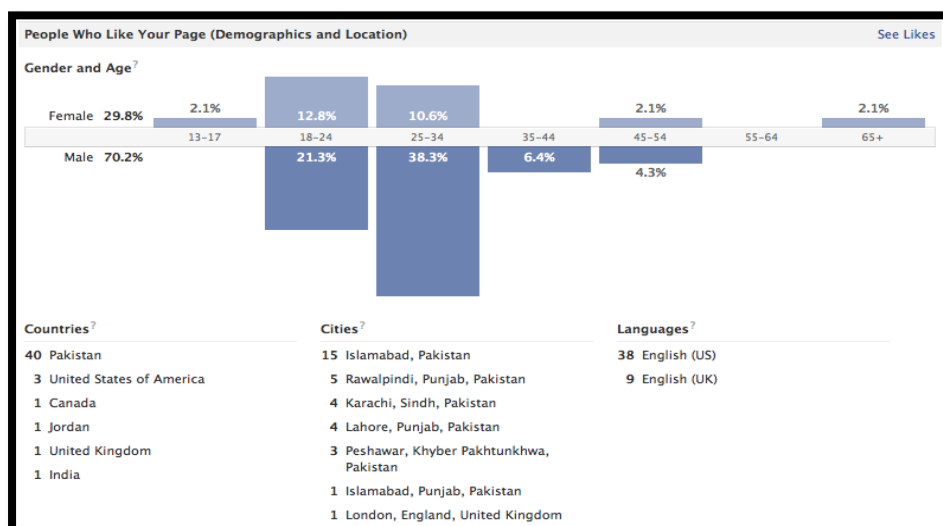


Figure 3: Number of Uploads from Slideshare at end of Quarter 3



Statistics on visits to the Facebook page can be seen in Figures 1 and 2 below. A PSSP blog administered through IFPRI is in place and is being used to disseminate information on PSSP. Some statistics from the viewership of the PSSP Facebook page and Slideshare can be seen in Figures 1, 2 and 3 above.

Media Activities: During this quarter PSSP received media coverage on certain events and meetings below:

PSSP's Second Research Grants Award Ceremony received media coverage in the following newspapers: *Daily Ausaf*, *The News*, *Business Recorder*, *Pakistan Observer*, *Daily Times*, *Information Times*, *Nawa-e-Waqt*, and *Online News*. It was also aired on the following TV channels: PTV News, Samaa TV, Sohni Dharti and CNBC Pakistan.

PSSP organized four, live radio talk shows in Quarter 3, in collaboration with USAID and FM 101, Radio Pakistan. The purpose of these shows was to highlight salient features of the CGP and to showcase the research proposals selected for the second round of the grants program.

The first of four introductory talk shows was held on May 2. Two senior researchers, Eatnaz Ahmed from Quaid-i-Azam University, Islamabad and Syed Ayub Qutub from Pakistan Institute for Environment—Development Action Research, Islamabad, were invited to explain how the competitive grants work and to briefly introduce their research proposals. Muhammad Qasim from PARC was interviewed over the phone. Nazim Ali from Economic Growth and Agriculture, USAID/Pakistan introduced PSSP and its various components.

The second talk show was held on May 9. It used an interactive format, where live calls were taken from listeners. Adil Khan Miankhel from the Competition Commission of Pakistan presented his study, "Channelizing Pakistan-Afghanistan Informal Trade into Formal Channels," and Murtaza Abbas from the Pakistan Securities and Exchange Commission presented his study, "Corporate Governance Index: A measure of Corporate Governance Practices in Pakistan" on this show. There was a very good response from listeners, and 20 calls were made within 10 minutes, out of which only four could be taken online due to a shortage of time.

The third talk show was held on June 13. Idrees Khawaja of PIDE, Islamabad, spoke about his study, "Determinants of Expansion of Micro and Small Firms and the State of Entrepreneurship," and Murad Ali of the University of Malakand spoke about his study, "Aid Effectiveness in Poverty Alleviation in a Post-conflict and Post-disaster Setting: A Case-study of the Malakand Region."

The fourth talk show was held on June 27. Atiq Ur Rehman of the International Islamic University, Islamabad, spoke about his study, "Estimating Labor Market Skill Mismatch in Selected Professions," and Syed Kumail Abbas Rizvi of Synergistic Financial Advisers, Lahore, spoke about his study, "Developing a Vibrant Financial System and Bond Market through Market Disciplines and Regulatory Policies."

Cross-cutting Activities

Indic. 14: Number of persons receiving training on skill development and Indic 15: Number of persons receiving training on policy related topics

Trainings

CGE Video trainings: Seven members of PSSP's CGE Working Group completed their training course on Introduction to Simulations on Poverty and Income Inequality using simulations based on CGE models. The key aspect of this course is the household micro-simulation model comprised of a representative income structure and expenditure behavior of the rural households in Pakistan. The training was conducted through video link and Dario Debowicz, Post-Doctoral Research Fellow at IFPRI, was the lead instructor. There were 8 weekly, one hour- sessions in this training program.

The purpose of the training was to add an update to the already existing IFPRI CGE Model for Pakistan. The updated model will allow researchers to discover the impact of an economic shock on income inequality and poverty that was not previously possible.

International Training: A PSSP researcher attended a 3-week, CSPro extended training in May at the United States Census Bureau in Washington DC. This was an extension of the training that was given to him last year and the skills gained with this training are being used to streamline data entry and cleaning for PSSP surveys.

Box 6: Lessons Learned from the International Training on CsPro

The U.S. Census Bureau's International Programs Center for Technical Assistance conducted an Intermediate CSPro workshop in Washington, DC, May 20-31. This workshop, for intermediate and advanced users of CSPro, introduced features of the program that streamline the creation of dynamic and powerful applications for data entry and evaluations. PSSP participants in this training learned about how to automate data processing tasks, design CAPI applications for enumeration on tablets, implement hot decks for data editing, create advanced tables, and use CSPro's web dissemination tools. Participants also learned from each other about their respective organizations handle data processing tasks.

NOTE: Work is currently progressing in regard to training activities with PARC, the Planning Commission and civil society organizations. (See the Outcome 3 (IR 3) discussion in the Introduction under subsection "Expected Results as reflected in the Performance Management Plan.")

Program Administration

NAC Meeting: PSSP's second NAC meeting of Year 2 was held in the Planning Commission, Islamabad, on April 18. Dr. Haque chaired this meeting and PSSP's Annual Work Plan for Year 2 was the highlight of the discussion. Three newly inducted members, Wazir Jogezi, Senator from Balochistan, Qazi Azmat Isa, CEO, Pakistan Poverty Alleviation Fund, and Shahid Sattar, Member for Energy, Planning Commission, attended the meeting. USAID Mission Director Conly also attended this meeting.

PSSP Research Corner: PSSP set up a research corner in its Islamabad office in May. The research corner can be used by all researchers who are currently conducting research under various PSSP programs. The research corner has a computer with access to IFPRI's online resources, libraries, journals, data and other research materials. Researchers can also access

several international research journals, which require subscription fees for access, free of cost as guest users on IFPRI subscriptions. Researchers from PSSP's CGE Working Group, CGP and commissioned researchers can benefit from this resource at PSSP premises.

Hiring of PSSP Research Staff: PSSP shortlisted 13 candidates from a pool of applicants who applied in February, and administered a written test to these candidates. Based on the results of these tests, seven candidates were selected for in person interviews. The first round of interviews was completed on June 21. The interview panel consisted of Davies; and Abdul Salam and Nawab Haider Naqvi from FUU. Selection and hiring of candidates will be finalized in the fourth quarter.

3. ACTIVITIES THAT WERE RESCHEDULED

This section describes activities that were planned for Q2 FY 2013, but were rescheduled to later quarters in FY 2013.

IR 1: Increased and Improved Agricultural and Economic Policy Research

Macroeconomics, Markets and Trade

Researchers presented the results of their CGE studies at the First Annual Conference in Islamabad in December and, after feedback, final revisions are still underway.

IR 2.1 Network(s) of Agricultural and Economic Research Organizations and Universities Established and Operating

In 2011-2012, PSSP held consultations with the Higher Education Commission and several universities on establishing a network of Knowledge Centers to provide forums for conferences, workshops and short-term courses. Four government institutions (PIDE, PERI, PARC, and AERC), and the four major agricultural universities in Punjab, Khyber Pakhtunkhwa, Sindh and Balochistan, respectively, have been invited to participate in the centers. The first step, signing MOUs with these institutions, has gone slower than originally anticipated, and with subsequent review of the possibilities in this area, we found that it might be better to create topic areas for research, capacity building and/or networking and select the institutions competitively. This would in effect be a variation on the Domestic Studies Program discussed above; we intend to merge all varieties of collaborations into a single area and choose selectively among topics and institutions to further the PSSP agenda and develop local capacity and connections as much as possible. With two PhDs in country and (and one senior one), it is not possible to work in depth with such a wide range of institutions.

Cross-cutting Activities

Training Courses

PSSP plans to provide a training course on research monitoring and evaluation and writing technical proposals to PARC scientists, managers and students at the NARC Institute; this activity will be initiated later in FY 2013.

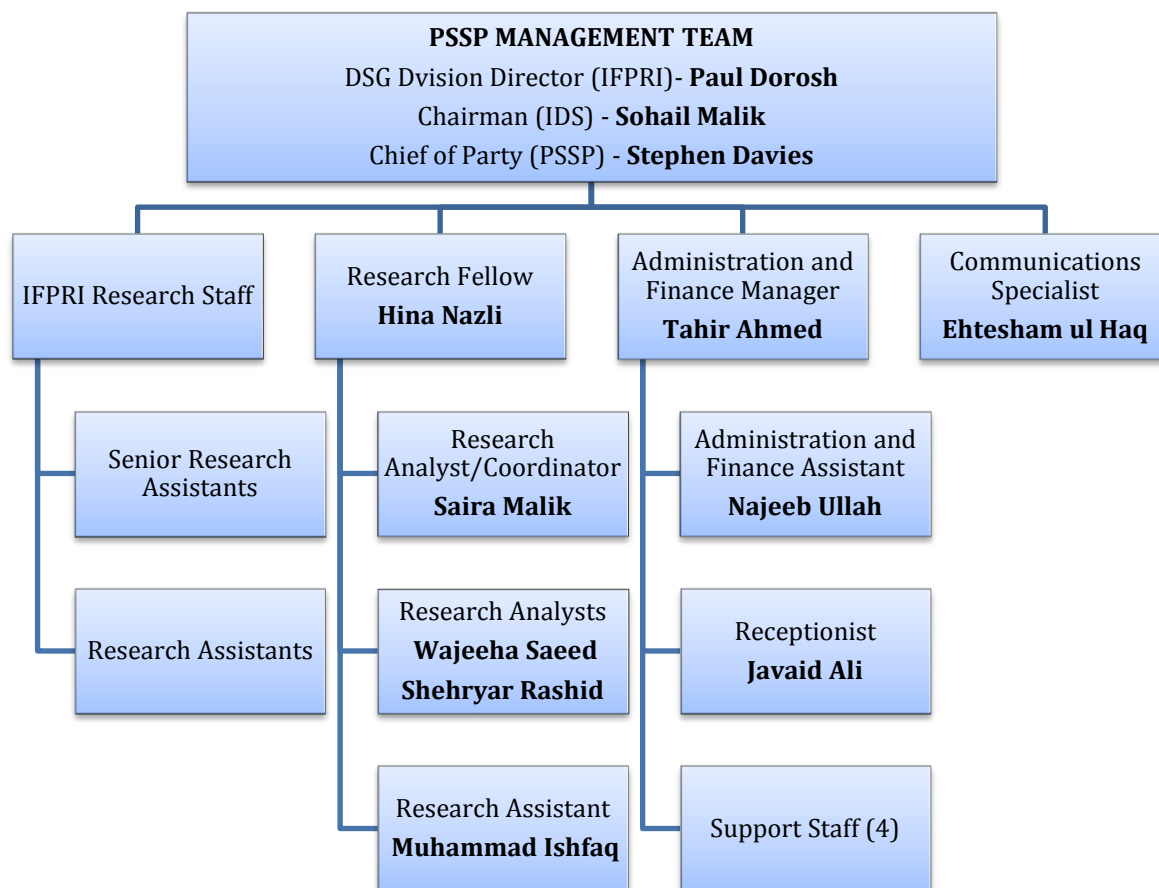
Program Administration

PSSP is working towards hiring more research staff and hopes to accomplish this by Quarter 4.

Appendices:

1. Organizational Chart – PSSP
2. PSSP Events Calendar (April, May, June) Q3 -FY 2013
3. PSSP Future Events to be held (July, August, September) Q4- FY 2013
4. Official travels
5. Submissions to USAID
6. Agenda - Second Research Grants Award Ceremony
7. Conference Agenda – Second Donors’ Water Conference
8. Conference Agenda – Tying Regional Strategy Support Programs Together, Dhaka
9. Summary of PSSP Press & Media Coverage (April, May, June)
10. CGP Round 2 Project Summaries

Appendix 1: PSSP Organizational Chart



Appendix 2: Events Calendar for Meetings held – FY 2013 Quarter 3 (April, May, June 2013)

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
April 9	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No
April 16	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No
April 18	Program management	National Advisory Committee Meeting	To discuss the PSSP annual work plan and other program activities	Dr. Nadeem ul Haque, Prof. Stephen Davies	Islamabad	Planning Commission	N/A

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
April 19	Competitive Grants Program	Second Competitive Research Grants Award Ceremony	Award of grants to the successful applicants of the CGP Round II	Prof. Stephen Davies	Islamabad	PC, PIDE, PARC, NARC	Yes
April 23	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No
April 30	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
May 2	Advocacy and Outreach	Live Radio Talk-Show	Advocacy and public outreach for PSSP and competitive Grants Program	Ehtesham ul Haq	FM 101, Islamabad	USAID, CGP grant recipients	Yes
May 2	Pakistan Cotton Survey	Survey fieldwork to be completed by.	To train the selected monitors and enumerators on various aspects of data collection	Muhammad Ishfaq, Hina Nazli,	Selected Districts	IDS	No
May 7	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No
May 9	Advocacy and Outreach	Live Radio Talk-Show	Advocacy and public outreach for PSSP and competitive Grants Program	Ehtesham ul Haq	FM 101, Islamabad	USAID, CGP grant recipients	Yes

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
May 14	Local Trainings	Introduction to Simulations on Income and Inequality and Poverty Dynamics Using CGE Modeling	To determine the impact of economic shock on the poverty level in Pakistan	Dr. Dario Debowicz	Islamabad/ Washington	PC, PIDE, PARC, SDPI & Competition Commission of Pakistan	No
May 23	Program Consultations	Meeting with officials from government of Punjab	Discussion on proposed PSSP agricultural research activities	Prof. Stephen Davies. Dr. Paul Dorosh, Dr. Sohail Malik	Lahore	PARB, BNU, Punjab Finance Department, Industries, Commerce and Investment Department	No
May 24	Program Consultations	Meeting with officials from government of Punjab	Discussion on proposed PSSP agricultural research activities	Prof. Stephen Davies. Dr. Paul Dorosh, Dr. Sohail Malik	Lahore	Forman Christian College (FCC)	No

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
June 13	Advocacy and Outreach	Live Radio Talk-Show	Advocacy and public outreach for PSSP and competitive Grants Program	Ehtesham ul Haq	FM 101, Islamabad	USAID, CGP grant recipients	Yes
June 19	Conferences and Seminars	Second Donors Water Conference	Discussions on water management and resources	Prof. Stephen Davies	World Bank, Islamabad	USAID, World Bank,	Yes
June 20	Advocacy and Outreach	Live Radio Talk-Show	Advocacy and public outreach for PSSP and competitive Grants Program	Ehtesham ul Haq	FM 101, Islamabad	USAID, CGP grant recipients	Yes
June 24-25	International Conferences and Seminars	Tying Regional Strategy Support Programs together for enhanced effectiveness in policy reform and pro-poor economic growth	Identifying opportunities for Collaboration between Pakistan and Bangladesh Strategy Support Programs (PSSP and BSSP)	Prof. Stephen Davies, Shehryar Rashid, Wajiha Saeed	Dhaka, Bangladesh	PSSP, BSSP	No

Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
June 27	Advocacy and Outreach	Live Radio Talk-Show	Advocacy and public outreach for PSSP and competitive Grants Program	Ehtesham ul Haq	FM 101, Islamabad	USAID, CGP grant recipients	Yes

Appendix 3: Meetings to be held – FY 2013 Quarter 4 (July, August, September 2013)

Proposed Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
July 3	Competitive Grants Program (CGP)	Mentoring Session for Grant Recipients	To advise the researchers from CGP Round-I on their progress so far	Prof. Stephen Davies, Dr. David Orden	Faisalabad	UAF	N/A
July 5-10	Local Trainings	Introduction to STATA Training Arranged for PSSP Research Staff	To train PSSP and IDS researchers in the latest data analysis software	Syed Hamza Haider	Islamabad	N/A	N/A
July 10	Conferences and Seminars	Show and Tell Meeting Between Pakistan Strategy Support Program and World Bank	Identify key policy research areas in Pakistan in respective areas of interaction	Katrina Kosec	Washington	IFPRI, World Bank (Social Protection & Labour Group)	N/A
Aug 12-30	International Trainings and Workshops	Data Cleaning Training	To impart a hands-on data cleaning training to researchers working on	Katrina Kosec	IFPRI, Washington DC	PSSP, IDS	N/A

Proposed Date(s)	PSSP Results Framework Activity	Events/Activities	Purpose	Person Responsible	Venue	Partner/s and Expected Level of GOP Representation	Applicable for Branding & Marking
			survey data sets				
Aug 15-23	Pakistan Cotton Survey	Series of meetings with cotton experts, farmers and other stakeholders	To share some of the findings of the Pakistan Cotton Survey and do the leaf testing	David Spielman	Islamabad, Lahore, Faisalabad	UAF, NARC, PARC	N/A
Aug 22-Sep 5	Competitive Grants Program	Mentoring Session for Grant Recipients	To advise the researchers from CGP Round-I and Round-II on their progress so far	Prof. Stephen Davies, Dr. David Orden	Islamabad, Lahore, Faisalabad	Researchers from various institutions and organizations	N/A

Appendix 4: Official Travels

No.	Person(s)	Purpose	Station	Date(s)
1	Dr. Sohail J. Malik	Meetings with counterparts, government officials	Islamabad	May 11 – May 28
2	Arshad Khurshid	CsPro Training	Washington DC	May 16 – Jun 17
3	Paul Dorosh	Meetings with counterparts, government officials	Islamabad,	May 19 – May 25
4	Tahir Ahmed	Finance and Administration Training	Washington DC	Jun 8 – Jun 17
5	Ahmed Waqas	GIS training and work on survey data	Washington DC	Jun 14 – Jul 21

Appendix 5: Submissions to USAID

No.	Submissions/Reports	Date(s)
1	Bi-Weekly Update	April 12
2	Bi-Weekly Update	April 26
3	Bi-Weekly Update	May 14
4	Bi-Weekly Update	May 28
5	Bi-Weekly Update	June 12
6	Quarterly reports (FY13 Q1 and FY13 Q2) - Final	June 21
6	Bi-Weekly Update	June 26

Appendix 6: Second Research Grants Award Ceremony



PAKISTAN

Strategy Support Program



Competitive Grants Program

Second Research Grants Award Ceremony

Supporting a New Framework for Sustained Economic Growth in Pakistan

Pakistan Strategy Support Program: Shaping a Policy Research Agenda

Program Agenda

Date: April 19, 2013

<i>Timings</i>	<i>Activity</i>	<i>Person</i>
11:25 – 11:30 am	Assembling of all participants	
11:30 - 11:35 am	Recitation from the Holy Quran	
11:35 - 11:45 am	Overview of PSSP's Competitive Grants Program and the Way Forward	Stephen Davies, COP - PSSP
11:45 - 11:55 am	Remarks by USAID Representative	Jock Conly, Mission Director, USAID/Pakistan
11:55 - 12:05 pm	Distribution of Certificates of Grant Notification	Dr. Nadeem ul Haque/Jock Conly/Richard Albright/Stephen Davies
12:05 - 12:15 pm	US Economic and Development Assistance for Pakistan	Richard Albright, Coordinator for Economic & Development Assistance, U.S. Embassy
12:15 - 12:30 pm	Remarks by Chief Guest	Dr. Nadeem ul Haque, Deputy Chairman, Planning Commission of Pakistan
12:30 pm	Lunch	

Appendix 7: Conference Agenda Second Donors' Water Conference

Agenda for 2nd Donors' Water Meeting (June 19, 2013)

Session 1

Facilitator: Mr. Simeon Ehui, World Bank Sector Manager for Agriculture and Irrigation

- 9:30 -9:40 am Welcome (Mr. Rachid Benmessaoud, World Bank Country Director)
- 9:40 -9:50 am Reaffirmation of Prioritization and Transformation (Dr. Ross Hagan)
- 9:50 -10:00 am Draft Goal Statement (Dr. Ross Hagan)
- 10:00 -10:10 Discussion/Analysis of Inventories by focusing synergistic areas (Nawaz)
- 10:10 -10:40 Tea Break

Session 2 — (15 minutes for each presentation)

Facilitator: Dr. Arif Anwar, Country Head, IWMI Pakistan

- 10:40 -10:55 Dr. Ross Hagan (Presentation on water's web of relationships)
- 10:55 – 11:10 Mr. Masood Ahmed, Water Expert World Bank (Presentation on dams and hydro-power challenges in Pakistan)
- 11:10 -11:25 Dr. Shahid Ahmed, Senior Water Expert, IUCN (Presentation on Irrigation water Challenges in Pakistan)
- 11:25 – 11:40 Dr. Simone Klawitter, Chief WASH UNICEF (Presentation on WASH Challenges in Pakistan)
- 11:40 -12:20 Discussion (Q&A)

Session 3

Facilitator: Mr. Randy Chester, Director Economic Growth and Agriculture, USAID Islamabad

- 12:20 – 1 pm Plenary Discussion of "Way Forward" Options:
 - Working groups on key issues – Selection of members
 - Development of Key Issues Discussion Papers – Notational outline
 - Other Ideas
 - Next Meeting (Date, Venue, Host Volunteer)
- 1:00-2:00 pm Lunch

Appendix 8: Conference Agenda -Dhaka

Tying Regional Strategy Support Programs Together for Enhanced Effectiveness in Policy Reform and Pro-poor Economic Growth

Opportunities for Collaboration between IFPRI's Pakistan and Bangladesh Strategy Support Programs
(PSSP and BSSP)

June 24-25th, 2013 -Dhaka, Bangladesh

June 24th

08:30 am – 09:30 am	Introductions and Overview of Major PSSP and BSSP Activities
09:30 am – 10:15 am	Major Challenges facing PSSP and BSSP
10:15 am – 10:45 am	Tea Break
10:45 am – 12:45 pm	Selected Results Presentations from BSSP
12:45 pm – 13:45 pm	Lunch
13:45 pm – 15:45 pm	Selected Results Presentations from PSSP
15:45 pm – 16:00 pm	Tea Break
16:00 pm – 17:00 pm	Review of Potential areas of Collaboration and Regional Emphasis
19:00 pm	Dinner (with Speaker)

June 25th

07:30 am – 12:30 pm	Field Activities
12:30 pm – 14:00 pm	Lunch and wrap up, including Lessons Learned and Ways Forward (at Bangladesh Rice Research Institute (TBC))

Participants: 3-7 Researchers from Pakistan, 5-10 Researchers/Local Stakeholders from Bangladesh
USAID Reps

Appendix 9: Summary of PSSP Press & Media Coverage QTR 3, FY 2013

Sr. No.	Event	Date	Title	Print Media Coverage	Electronic Media Coverage
1	Second Research Grants Award Ceremony	April 19	CGP, Call for Proposals - Advertisement	<ul style="list-style-type: none"> • Daily Ausaf • The News • Business recorder • Pakistan Observer • Daily Times • Information Times • Nawa-e-Waqat Online News	PTV News Sama TV Sohni Dharti CNBC Pakistan
2	Radio Talk Show	May 2	<i>Hum, Aap aur Behtar Zindagi</i>	N/A	FM 101
3	Radio Talk Show	May 9	<i>Hum, Aap aur Behtar Zindagi</i>	N/A	FM 101
4	Radio Talk Show	June 20	<i>Hum, Aap aur Behtar Zindagi</i>	N/A	FM 101
5	Radio Talk Show	June 27	<i>Hum, Aap aur Behtar Zindagi</i>	N/A	FM 101

Appendix 10: CGP Round 2 Project Summaries



Competitive Grants Program, Round 2

Applications Submitted by Oct 31, 2012; Proposals Presented at the Second Research Competitive Grants Conference, Islamabad, February 8-10, 2013

Further information: www.pssp.ifpri.info

PROJECT SUMMARIES

IMPROVED GOVERNANCE

Dimensions of Corruption in Pakistan: A Qualitative and Quantitative Analysis Based on System Dynamics Modelling

Dr. Eatzaz Ahmed, Quaid-i-Azam University, Islamabad

Over the past few decades, many studies of corruption have been carried out. These studies have mainly focused on specific characteristics, such as economic issues, legal issues, social propositions, impact on national development, and relation to economic policy. The rationale of this research is to build system dynamics models in order to extend our understanding of corruption and act as an input into future policy making. System dynamics modeling allows researchers to discover “hidden” dynamic interactions. Moreover, system dynamic modeling enables the analyst an increased level of flexibility, using both theoretical understanding as well as empirical data collection. This research will undertake primary data-collection interviews and construct simulation models to explore how the social system of corruption develops its stable macro-state. Our conceptualization of corruption is that it is a social phenomenon, which involves public dealings manifested as a system that affects other systems of the economy in one way or another.

The First Constituent Assembly of Pakistan: An Institutional Economics Analysis

Dr. Yaqoob Khan Bangash, Forman Christian College, Lahore

This project aims to understand the constitution making process in Pakistan between 1947 and 1956. The constitution, being the Supreme National Institution, is the basic ‘set of rules’ which governs the country, and creates incentives/disincentives for economic growth. Utilizing theories from history, philosophy and institutional economics this research, which forms part of a larger monograph project, will assess the first constitution of Pakistan (which set the tone for the later 1962 and 1973 ones), as an economic, political, ideological, philosophical and religious document. An appreciation of the ideas behind, processes

pertaining to, and documents emerging out of the deliberations of the Constituent Assembly will go a long way in enabling an understand Pakistan as a polity in a more comprehensive manner.

Bureaucratic Performance and Local Public Service Delivery in Punjab

Dr. Maryam Tanwir, University of Cambridge, UK

While achieving economic development is dependent on the performance of the civil service, there is a growing failure in Pakistan to objectively evaluate the performance of the civil servants. This disconnect between actual performance and its measurement by the Performance Evaluation Report (PER), has discouraged efficiency and public-sector output. It has also led to introduction of perverse incentives that have resulted in civil servants resorting to political alliances, clientelistic networks and cultural norms as a way out of their quagmire. This research will examine the manner in which shortcomings of performance of the civil servants is associated with a lack of an apolitical, accurate performance measurement system. The research will analyze the strengths and weaknesses of the present civil service PER system and recommend a revised evaluation system, which meets the civil servants' requirement of impartiality as well as the local governments' requirement of local accountability.

Aid Effectiveness in Poverty Alleviation in a Post-Conflict and Post-Disaster Setting: A Case Study of the Malakand Region

Dr. Murad Ali, University of Malakand

This project examines the effectiveness of foreign aid in a post-conflict and post-disaster region. Focusing on district Swat in northern Pakistan, which witnessed an unprecedented humanitarian crisis following the 2009 militants' insurgency and the 2010 floods, the objective is to examine the effectiveness of donor-funded development projects in rehabilitation and reconstruction. The research investigates to what extent aid donors and the Government of Pakistan incorporated principles of the 2005 Paris Declaration (PD) on Aid Effectiveness for making better use of foreign assistance in this post-conflict/disaster setting. The project posits that adherence to the PD principles leads to more efficient utilisation of aid, speeding restoration of the livelihoods of the affected population and the alleviation of poverty. There is a significant gap in the literature concerning the applicability of the PD in a post-conflict and post-disaster zone. Thus, this research has broad implications for aid effectiveness in complex, stressed environments.

Remittances and Entrepreneurship: Evidence from the Pakistan Remittance Initiative

Dr. Javaeria A. Qureshi, University of Illinois-Chicago, USA

This project will investigate the impact of the Pakistan Remittance Initiative (PRI) on remittance flows to Pakistan, and analyze the relationship between remittances and entrepreneurship in remittance-receiving households. In 2009, the Government of Pakistan launched the PRI aimed at facilitating the flow of remittances sent home by non-resident Pakistanis. By quantifying the impact of the various incentive schemes that comprise PRI, this analysis will provide information to potentially restructure the initiative to better facilitate remittances in the future. In exploring the impact of remittances on entrepreneurship, the characteristics of individuals that form small-scale enterprises using remittances and the types and operation of the enterprises that are created will also be examined. By investigating this link between remittances and entrepreneurship, the study will provide insights on how policymakers may capitalize on the impressive growth in remittances in recent years to create investment and growth in Pakistan.

Urban Open Spaces for Adolescent Girls

Mr. Syed Ayub Qutub, Pakistan Institute for Environment-Development Action Research, Islamabad

Urban open spaces meet the recreational needs of men and women. However, they are under pressure from city growth and urbanization. In Pakistan, adolescent girls are limited in their access and use of open spaces due to security and cultural reasons. The research tests hypotheses about the quantity and quality

of open spaces in selected localities of Rawalpindi and Islamabad. It will measure and rank the impediments and enabling factors for open space access as perceived by adolescent girls and their guardians. It will develop and test the efficacy of physical design options as well as institutional and programmatic interventions for enhancing girls' access and usage. Research papers will be generated on the basis of the findings and policy briefs will be shared with city managers and town planners. Revised gender-sensitive open spaces standards will be advocated for reference manuals and plans.

Priming Rural Health Facilities for Optimal Service Delivery

Dr. Musharraf Rasool Cyan, Georgia State University, USA

This research will implement an intervention to strengthen maternal care during childbirth in rural Pakistan, where the maternal mortality rate of 260 deaths per 100,000 live births is one of the highest among comparable countries. The intervention will prime rural health facilities by institutionalizing readiness protocols for maternal care during childbirth, which in turn will reduce delays in managing obstetric complications and save lives. Facility priming will be augmented by an innovative management regime delivering measureable and higher service delivery outcomes in an endemically low performing area of healthcare. The experiment will be conducted in 36 rural health centers of Punjab with 36 additional centers serving as a non-treatment control group. The project results will demonstrate the efficacy of the interventions toward saving maternal lives to address the lag in achieving a key Millennium Development Goal. The study with its focus on the ignored and underperforming rural health facilities, accessible to the poor among the rural population, seeks a solution where it is most needed.

VIBRANT MARKETS

Public Investment Efficiency and Sectoral Economic Growth in Pakistan

Dr. Qazi Masood Ahmed, Institute of Business Administration, Karachi

This study will examine the sectoral level effects of public investments in Pakistan on the long-term marginal productivity and rate of return for eight sectors. Vector autoregressive/error correction (VAR/VEC) time-series models will be estimated to capture the dynamic feedback effect of public investment on private investment, employment and output. Marginal productivity and rate of returns will be calculated to evaluate the effectiveness of disaggregated public investments. The results will highlight whether the public investments crowd-in or crowd-out private investments in Agriculture, Mining and Quarrying, Manufacturing, Electricity & Gas Distribution, Construction, Transport Storage & Communication, Finance and Insurance, and Public Administration & Defense. The study will calculate the rates of return and tax revenue in each sector and the period in which the initial investment can be recovered. Finally the study will quantify the cost of additional employment in each sector which will contribute to the understanding of the dynamics of employment creation.

Productivity and Growth: A Disaggregated Analysis for the Manufacturing Sector of Pakistan

Ms. Fauzia Kamal, Applied Economics Research Centre, University of Karachi

The role of productivity in economic development is widely accepted as an indispensable factor for sustained economic growth. This study will provide a detail review of Pakistan's past economic and industrial policies and identify the sources of growth and its determinants for Pakistan's large-scale manufacturing sector over the last three decades. The research employs Harberger's two deflator growth accounting approach and sunrise/sunset approach to examine the role of productivity in industrial development. The research will provide a basis for rational interventions for industrial development through industrial, trade, monetary and fiscal policies.

Channelizing Pakistan-Afghanistan Informal Trade into Formal Channels

Dr. Adil Khan Miankhel, Competition Commission of Pakistan, Islamabad

Pakistan's informal trade with Afghanistan is a source of major concern for policymakers. The presence of informal trade reflects excessive transaction costs of moving goods across the border through formal channels. High transaction costs may be due to either high tariffs or institutional, socio-economic and political factors. Enforcement and trade facilitation measures could help in channelizing informal trade into formal channels. In addition, due to high tariffs, informal traders have an incentive to smuggle merchandise. This project will empirically investigate the presence of obstacles to bilateral trade flows between Pakistan and Afghanistan that result in high transaction costs for traders. Through an empirical stochastic frontier gravity model analysis, the level of potential trade will be estimated that could be achieved in the absence of factors incurring high transaction costs.

Developing a Vibrant Financial System and Bond Market through Market Disciplines and Regulatory Policies

Dr. Syed Kumail Abbas Rizvi, Synergistic Financial Advisors, Lahore

The presence of a vibrant financial system is indispensable for sustainable economic growth. For Pakistan, with weak bond markets and heavy reliance on financial intermediaries to obtain corporate financing, there is a dire need for special regulatory attention to ensure financial stability. A relevant regulatory approach is through market discipline that may ensure additional prudence through actions of third-party agents. This study will use secondary data to assess whether bank financials exhibit any evidence of market discipline, especially in the post-reform period. We will assess the perceptions of depositors, using primary data, and their ability to evaluate financial disclosures and consequently impose market discipline. Lastly, we will assess the role of selected macro financial variables in determining the activity in bond markets (in view of its need and importance to strengthen the financial system). Emphasis will be on *de facto* situations rather than *de jure* commitments. The research findings will help to empirically validate policy recommendations for developments of vibrant financial markets.

Corporate Governance Index: A Measure of Corporate Governance Practices in Pakistan

Dr. Aneel Salman, Center for Policy and Management, Islamabad

Poor corporate governance has been acknowledged as an important cause of the recent financial crisis despite stringent prudential regulation of firms' capital and risks. This study will investigate the impact of compliance with the Code of Corporate Governance by KSE 30 Index companies and make policy recommendations in this regard. An index will be constructed to measure the level of compliance by the companies. This index will be used to evaluate whether the market capitalization of KSE 30 Index companies as of June 30, 2012 has any relationship with the level of compliance with the Code of Corporate Governance, demonstrating whether compliance provides an avenue to achieving greater market capitalization or not.

Estimating Labor Market Skill Mismatch in Selected Professions

Dr. Pervez Zamurrad Janjua, International Institute of Islamic Economics, Islamic University, Islamabad

Higher education in Pakistan has undergone revolutionary changes during the past decade. To achieve desired economic outcomes from education, it is important to have a balance between supply and demand of graduates in various subjects. An excess supply or shortage of skilled graduates both have associated problems. Over-skilling gives rise to unemployment, lower job satisfaction and social stress related with unemployment including hypertension and crime. A shortage of skills in a subject will cause under-utilization of resources, reduction in the possibilities of investments, and unemployment in the allied industries and professions. Therefore, some countries have established separate organizations to design a policy to minimize skill mismatch. This project will estimate the gap between demand and supply of

skilled graduates in various professions using several skill mismatch indicators. These indicators will inform recommendations for universities, educational institutions, policy institutions and students to create harmony between supply of and demand for skills.

Determinants of Expansion of Micro and Small Firms and the State of Entrepreneurship

Dr. Idrees Khawaja, Pakistan Institute of Development Economics, Islamabad

This study will empirically investigate the determinants of the expansion over the past five years of micro and small firms in Rawalpindi/Islamabad. To develop stylized facts regarding the overall state of entrepreneurship and explore the determinants of expansion, 300 firms across different sectors will be surveyed. A purpose-specific questionnaire will be designed to gather information on various aspects of entrepreneurship. As the questionnaire will have more than one question on each aspect, the responses will be aggregated to form an index. The indices for 12 aspects of entrepreneurship (e.g. innovation, risk, financing) will serve as the potential determinants of firms' expansion (growth in number of employees) in the econometric analysis. The knowledge generated will provide policymakers with a basis for providing an enabling environment for small and medium firm entrepreneurship to prosper. The study will also help focus policy attention on micro firms as a distinct category.

Exploring Determinants of Entrepreneurial Behaviour in Disadvantaged Areas of Kyber Pakhtunkhwa

Dr. Ali Muhammad Mohmand, University of Peshawar

This project investigates the relative strength of entrepreneurial determinants in one of the most disadvantaged areas of Pakistan, the Federally Administered Tribal Areas. Disadvantaged entrepreneurs mostly rely on socio-cultural factors to facilitate earning their livelihoods. Persistent wars, economic downturn and strong adherence to culture have turned the Pashtun tribesmen into entrepreneurs by necessity. In an atmosphere of chaos and disadvantage, most of their cultural traits compel them to build strong entrepreneurial behaviour. Several hypotheses will be empirically tested about determinants of Pashtun's entrepreneurial behaviour and thematic analysis will be performed on interview data. The study will provide policy-based recommendations for strengthening entrepreneurial behavior as a viable mechanism for eliminating extremism and sustaining peace in the long run.

Formulating Water Policy Based on Rationalization of Water Allocations Using Remote Sensing and GIS Modeling

Dr. Muhammad Jehanzeb Masud Cheema, University of Agriculture, Faisalabad

Water allocations for canal commands are not uniform throughout Pakistan. The water allowance for different canal commands varies from 2.5 to 15 ft³/sec per 1000 acres. This variability in water allowance has resulted in low water productivity (kg of yield per m³ of water use, an indicator to assess efficient water use), especially in command areas having higher water allocations. In this study, near real time satellite imagery will be used to estimate crop water use and corresponding water productivity for each canal command. Spatially distributed maps of land use, evapotranspiration, crop yields and other variables at 1-km pixel resolution will be prepared. GIS maps of canal water availability will also be prepared. This spatial database will be used to evaluate water productivity and irrigation efficiency in different canal commands. A threshold level of water productivity /crop water use will be determined to meter the canal water. The study will formulate incremental canal water pricing mechanism to enhance water productivity that will potentially reduce non-beneficial water use and will benefit the farmers of canal commands with low water allowance.

Comparative Advantage and Policy Analysis of KPK Agriculture

Dr. Noor P. Khan , KPK Agricultural University, Peshawar

A paradigm shift in Pakistan's growth strategy, the central role of agriculture in KPK's economy, and widespread poverty in the province raise important questions about the future of KPK's agriculture and the potential for government policy or investment to enhance the sector. This study employs a Policy Analysis Matrix (PAM) to determine comparative advantage and government intervention in KPK's agriculture for three different agro-ecological zones (Central, North and South). Questions to be addressed include the comparative advantage for KPK's agriculture (assessed using primary data for 2012), whether comparative advantage differs by agro-ecological zones due to difference in yield, prices or transportation costs, and the potential for investment and policy interventions to strengthen the region's competitiveness. The results will provide timely guidelines to manage KPK's agriculture with reference to food security, agricultural trade and poverty alleviation and to gauge the adjustments that are needed in the province's agriculture.

The Role of Milk Collection Contracts in Improving Production and Marketing in Irrigated Punjab

Dr. Muhammad Qasim, Pakistan Agricultural Research Council, Ayub Agricultural Research Institute, Faisalabad

This project evaluates the impact of milk marketing through collection centers of different processors on the productivity of livestock holders in Pakistan's irrigated Punjab. The study also aims to provide an empirical basis for promoting value chains in agricultural commodities where production is dominated by small farms. A farm-level survey of livestock owners will be conducted for the year 2013 and overall 280 milk producers will be interviewed. A structured questionnaire will be used for the data collection. The data gathered will be used to quantify the income of livestock owners from milk production. The impact of improved, product specific and formalized marketing on milk production of livestock holders will be quantified. Policy guidelines for improvement of the dairy sector will be drawn from the results of the project for further research, development planners and policymakers.

Agricultural Markets and Agrarian Change in Pakistani Punjab

Mr. Muhammad Ali Jan,, University of Oxford, UK

The study explores the link between asset distribution of land, indebtedness, commodity markets and market power in a fertile region of Pakistani Punjab; more specifically, it investigates whether market outcomes for different players in fertile canal irrigated Punjab are dependent on prior distribution of resources and the extent and nature of indebtedness, or whether these markets are competitive. This will be achieved through a 9-10 month repeat survey of 100 traders and farmers in Dipalpur Tehsil of District Okara. Data will be collected through a survey questionnaire on asset distribution (land and other assets), type and extent of indebtedness (e.g. tied contracts or not) and market outcomes (prices received/paid, costs and profits). The study will include both a descriptive analysis of the situation and an econometric analysis. It will provide policy prescriptions on whether agricultural markets in Pakistan are vibrant and if not, what can be done to make them so.